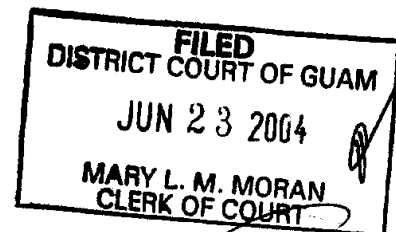


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IN THE DISTRICT COURT OF GUAM
TERRITORY OF GUAM

IN THE MATTER OF THE
ARBITRATION BETWEEN
PACIFICARE HEALTH INSURANCE
COMPANY OF MICRONESIA, INC.
dba PACIFICARE ASIA PACIFIC,

Petitioner,

and

GOVERNMENT OF GUAM,

Respondent.

CIVIL CASE NO. 04-00030

**SUPPLEMENTAL
MEMORANDUM CONCERNING
DEVELOPMENTS IN
SUPERIOR COURT**

On June 22, 2004, subsequent to the filing of Petitioner PacifiCare's Response to the Government's objection to dismissal, the Superior Court of Guam held a hearing and assumed jurisdiction over PacifiCare's Superior Court Petition to appoint a third arbitrator.

The Superior Court directed counsel for PacifiCare to draft an Order summarizing the Court's disposition. The draft Order is currently being circulated for approval as to form, but counsel represents to the Court that the document is a fair and accurate representation of the Superior Court's June 22, 2004 bench ruling.

Given PacifiCare's June 21, 2004 dismissal of the instant District Court action and the Superior Court's assumption of jurisdiction, PacifiCare respectfully requests that this Court's scheduled June 24, 2004 hearing be taken off calendar.

Respectfully submitted this 23rd day of June, 2004.

MAIR, MAIR, SPADE & THOMPSON

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By: 

RANDALL TODD THOMPSON